

Discussion Paper

Subject: Division & District Structures under the Regional Business Center Concept

Purpose: Provide the BOD a conceptual proposal for discussion at the 10 August BOD Meeting in Dallas.

Both division and district commanders are currently operating under restrictive guidance regarding changes to their organizational structures. These current restrictions stem from a careful regard for political sensitivities to changes within districts during the 1997 division restructuring and a desire to manage change during the period of the Test Division Initiative. The Test Division Initiative will be terminated shortly; one major initiative adopted Corps-wide from this initiative is the Regional Business Center concept.

The regional business center concept means that a Division Headquarters Office manages itself and all of its subordinate districts as a single business center, balancing the types and quantities of workload against resources throughout the division's AOR. Implementing this concept effectively for efficiency and improved customer service requires MSC commanders to have the flexibility to implement desirable consolidations and regionalizations.

Subject to the following constraints, it is proposed that division commanders will be given this needed flexibility:

1. The four division office headquarters roles approved in 1994 will continue to be performed within division headquarters. These are:

a. **Command and Control:** Executive direction and management (EDM) of subordinate districts and resource management.

b. **Regional Interface:** Coordination of issues which cross district boundaries and/or involve regional interests, higher headquarters, state agencies and regional and higher headquarters of Federal agencies.

c. **Program Management:** Management, coordination, and analysis of division wide programs.

d. **Quality Assurance:** Oversight to insure that timely, reliable, and cost effective products and services are delivered.

(Adoption of the Regional Business Center concept significantly increases both the Command and Control and Program Management roles.)

2. Division headquarters offices will continue to be structured with 2 SES's, one as the

Director of Programs Management and one as Director of Engineering and Technical Services.

3. Each of the baseline functions for divisions and districts (planning, contracting, etc.) identified in ER 10-1-2 will continue to be performed within the boundaries of the division.

4. Support functions identified in ER 10-1-2 as having legal or regulatory restrictions on consolidation may be regionalized, as long as those functions continue to report directly to the commander or deputy commander. In each instance, an individual will be designated and assigned as the Division's Functional Chief for these support functions, e.g., Chief Counsel of the Division, Division SADB, etc.

5. Where internal consolidations are planned within a geographic office, or where regionalization of functions are planned, the Commander, USACE, is to be notified through command channels 30 days in advance of the scheduled implementation date.

In the context of the above paragraphs, it should be noted that "consolidation" refers to the combination of functions in a new structure within any given district or division office. "Regionalization" refers to relocating a given function from several geographic locations into fewer locations.

In 1995 a task force working on alternative district structures identified the legal or other impediments then extant to consolidating, regionalizing, or outsourcing 20 of our basic functions. These restrictions are listed in ER 10-1-2. There was only one constraint found for regionalizing any function, and that was an internal USACE constraint applying to the PPM function specifically. There were a larger number of constraints, by law or higher regulation, to consolidation of offices (such as EEO with HR). All of these consolidation limitations applied to overhead offices, none to technical engineering functions. Outsourcing efforts may be subject to the restrictions of OMB Circular A-76.

Given below are several examples of conceivable structural alternatives:

1. Because there are no outside constraints to internal organizational changes, e.g., consolidations, to our mission functions; with the approval of the division commander, any district commander could consolidate planning with engineering, construction with operations, regulatory with planning, etc. Many districts with declining workloads have already implemented one or more of these specific consolidations.

2. Because regionalization of these mission functions is also legally permitted, a division commander could place most design engineering functions in, for example, 3 of 5 subordinate districts, rather than maintaining all engineering design skills in every district. Such a decision would be taken primarily for the purpose of keeping large enough engineering cells to preserve desirable expertise working on a larger workload base than would be possible in the smallest of districts. It might also serve other interests, to include meeting high-grade goals, increasing supervisory ratios, or cutting costs.

Such regionalization is currently somewhat less common than internal consolidation, but is also in significant use across USACE. The real estate function is a good example, where only about 2/3 of our districts perform real estate activities. Those without the real estate function utilize the resources of the other districts to accomplish their work.

Many support functions, including Counsel, IM, Contracting, SADBUs, Internal Review, and Safety have one or more restrictions on consolidation with or under other offices, (i.e., they must maintain direct access to the commander and not be subordinated to some other function). However, as for mission functions, there are virtually no legal restrictions on regionalizing these functions. Thus a division commander could create a single division-wide SADBUs office located at one subordinate district, to serve the entire division's SADBUs needs. The same principle could be applied to nearly all of these support offices, with the degree of desirable regionalization at least partly dependent on overall division workload in that type of support. As stated earlier a single individual, reporting to the commander, will be designated and assigned as each support function chief, e.g., Division SADBUs.

The incentives for deciding on such regionalization is the same for the support elements as for technical functions: preserving expertise, improving product delivery, reducing costs, meeting high grade targets, and increasing supervisory ratios. Additionally, achieving consolidations and regionalizing among the technical functions could result in a severe imbalance to the support staff at a given office, with concurrent overhead rate problems, if attention to both the technical and support functions did not proceed in a parallel fashion.

The above 5 guidelines constitute a serious alternative for easing the current freeze on division and district offices structures and providing dramatically increased flexibility to division (and district) commanders.

1) Is this degree of structural flexibility desirable?

2) Should there be additional restrictions mandated from HQUSACE on field office structures?

3) Are there any functions which merit special restrictions?

These questions were discussed among HQUSACE GO's and SES's on 28 July. Following that discussion, functional representatives were invited to comment on this general concept. Attached for your consideration and further background for your discussion are summaries of those comments.

Summary of Functional Chiefs Recommendations

1. **Information Management:** "Commanders should insure that four core IT positions/functions be identifiable within their Regional Business Center concept. They are:

Information Technology Integration's Manager (301 series/multi disciplinary)
Automation Infrastructure Manager (334 series)
Telecommunications Infrastructure Manager (391 series)
Data Manager (301 series/multi disciplinary)

Senior IT manager will report directly to Commander and participate in RMB information technology investment review processes. "

2. **Real Estate:** Commanders should consider regionalization of real estate activities where it makes sense.

3. **Research and Development:** We support the clustering (regionalization) of special expertise as is now done in the HTRW arena.

4. **Logistics:** Division Commanders in coordination with District Commanders should have the flexibility to assign logistics personnel to where needed most throughout the division boundary and to reassign them as needs change. District Commanders may negotiate for additional support as needed. Key to placement is the ability to develop sufficient knowledge of customer requirements to anticipate needs and enable cost effective, timely response. Automated system capability may be used to manage from remote sites.

Logistics should not be consolidated under other functions. Command level visibility and emphasis is needed.

5. **Resource Management:** Each MSC must perform strategic planning, not necessarily in the division headquarters and not necessarily in each district. In whichever locations, this could be accomplished as a special staff element or as part of the general staff (as in HQUSACE RM, with recognition of the unique relationship strategic planning has to the command group). Commanders should be given more flexibility regarding management directed programs (AIEP, MCP, A-76). If these are combined in a staff element with strategic planning, they should jointly be under the RM/CFO, if not, strategic planning should be a special staff function reporting to the commander.

6. **Human Resources:** Continue to give division commanders authority to structure their HR staffs consistent with regional circumstances and needs. Because the HR program is the commander's program, and because of its importance to the organization, the HR staff should report to the commander or deputy.

7. **Equal Employment Opportunity:** Commanders' responsibilities for EEO (complaint resolution/problem solving, affirmative employment strategies/implementation, including special

emphasis programs, affirmative recruitment, and local community liaison) should not be regionalized. Some clerical/technical work can be regionalized. In EEO, leadership and perceptions are key.

8. **Safety & Occupational Health:** Each USACE command (division, district, laboratory) must have a full-time, qualified safety and occupational health manager on special staff. This manager will report to the commander or deputy.